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**State of New Jersey  
Public  
Employees'  
Retirement  
System**



**July 1997**

**Department of the Treasury  
Division of Pensions and Benefits**

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*Benefits and provisions of the system are subject to changes by the legislature, courts, and other officials. While this booklet outlines the benefit and contribution schedules of the Public Employees' Retirement System, it is not a final statement. Complete terms governing the Public Employees' Retirement System are set forth in the New Jersey Statutes Annotated (N.J.S.A. 43:15A et seqq.). Regulations, new and amended, are published in the New Jersey Register by the State Office of Administrative Law supplementing the New Jersey Administrative Code (N.J.A.C. 17:2 et seqq.).*

# **PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

*as of July 1, 1997*

## ***THE RETIREMENT SYSTEM***

The Public Employees' Retirement System (PERS) was established in 1955 after the repeal of the laws creating the former State Employees' Retirement System. The Division of Pensions and Benefits is assigned all administrative functions of the retirement system except for investment.

The PERS Board of Trustees has the responsibility for the proper operation of the retirement system. The Board consists of six employee representatives, the State Treasurer and two individuals appointed by the Governor with the advice and consent of the Senate. The Board meets once per month. A member who wishes to be a candidate for the PERS Board of Trustees must be an active member of PERS and must be nominated by petitions bearing the signatures of 500 active members. Nominating petition forms, together with instructions for filing, are available upon written request to the Secretary of the PERS Board of Trustees, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The purpose of this handbook is to provide you with information about the retirement system to assist you in making decisions concerning your future and your family's future. If you still have questions concerning the retirement system benefits, please see page 44 for information on contacting the Division of Pensions and Benefits.

An updated version of this booklet can be found on the Worldwide Web at <http://www.state.nj.us/treasury/pensions/persman.htm>. Be sure to check in on the Division of Pensions and Benefits homepage (<http://www.state.nj.us/treasury/pensions>) to learn of any new developments affecting PERS.

# MEMBERSHIP

## ELIGIBILITY CRITERIA

Enrollment rules and regulations are described in very general terms in this handbook and may not cover all situations. If you have been a public employee for several years, you should be aware that present rules and regulations governing enrollment in the retirement system may differ from past rules and regulations. If you have specific questions concerning your date of enrollment, you may wish to contact the Division of Pensions and Benefits for additional information. (See page 44 for information on contacting the Division.)

Membership in the retirement system is generally required as a condition of employment for most employees of the State, or any county, municipality, school district or public agency. You are **required** to enroll in PERS if:

- you are employed on a regular basis in a position covered by Social Security, and
- your annual salary is \$1,500 or more, and
- you are not required to be a member of any other State or local government retirement system on the basis of the same position.
- you are receiving a monthly retirement allowance from PERS and the position is expected to pay more than \$10,000 annually.

Although most employees are required to enroll in the retirement system when hired, in some instances (for example if you are a per diem employee or hired as a temporary or provisional employee by an employer covered by Civil Service) you may not qualify for enrollment in the system until up to one year from your date of employment.

Membership in the retirement system is **optional** for:

- non-veteran elected officials. (Elected officials who qualify as veterans must enroll in the retirement system. See page 5 for a definition of "veteran".)
- full-time non-veterans hired prior to July 1, 1966 or the date of adoption of the retirement system by the employer, whichever is earlier.
- part-time non-veterans hired prior to July 1, 1966.
- part-time school crossing guards receiving periodic benefits from the federal government (whether military or civilian pension, including Social Security) unless the employee is previously retired from PERS.
- employees hired prior to September 10, 1991 who are receiving monthly

retirement allowances from another state.

- special service employees hired under the federal Older American Community Service Employment Act.

**If you choose the option of joining the retirement system, you cannot withdraw your funds until you end your employment.**

## FACTORS FOR INELIGIBILITY

You **cannot** join the retirement system if —

- you are a provisional or temporary employee covered by Civil Service with less than 12 months of continuous service.
- you do not earn \$1,500 annually.
- you are not covered by Social Security.
- you are a seasonal employee.
- you are a retired member of PERS who has returned to public employment and whose annual base salary is not expected to exceed \$10,000.
- you are retired and receiving a monthly retirement allowance from another public retirement system in New Jersey.
- you are employed under the *Job Training Partnership Act* (JTPA) and are paid directly from federal JTPA funds.

## DEFINITION OF A VETERAN

A veteran is a person who holds an honorable discharge from the military service of the United States who served during the following periods:

- |                                 |   |
|---------------------------------|---|
| • World War I                   | April 6, 1917 to November 11, 1918      |
| • World War II                  | September 16, 1940 to December 31, 1946 |
| • Korean Conflict               | June 23, 1950 to January 31, 1955       |
| • Vietnam Conflict              | December 31, 1960 to May 7, 1975        |
| • Lebanon Conflict              | September 26, 1982 to December 1, 1987  |
| • Grenada Conflict              | October 23, 1983 to November 21, 1983   |
| • Panama Peacekeeping Mission   | December 20, 1989 to January 31, 1990   |
| • Operation Desert Shield/Storm | August 2, 1990 to present               |

Veteran status for World War II, the Korean Conflict or the Vietnam Conflict can be granted as long as the member has at least 90 days of continuous active military service, of which at least one day falls within the dates listed above. Any honorably discharged member of the American Merchant Marine who served at least 90 days during World War II also qualifies for veteran status.

For veteran status for the Lebanon Conflict, the Grenada Conflict, the Panama Peacekeeping Mission or Operation Desert Shield/Storm, the member must have served at least 14 days in the country or region or on ships patrolling in the territorial waters of these nations, as long as any one of the 14 days falls within the dates specified. If the member's service started prior to the beginning of the period of hostilities, then the member must have served all 14 days within the dates specified.

The 90 or 14-day requirement for service is waived if the veteran was discharged because of a service-incurred disability. Absent Without Leave (AWOL) periods must be deducted from active service and if this reduces the active service to less than the 90 or 14-day service requirement, veteran status will be denied. Service with the Women's Army Auxiliary Corps (WAAC) and Women's Army Corps (WAC) qualifies for veteran status.

Veteran status cannot be granted if an individual received a dishonorable discharge, a discharge from the draft, disenrollment from the Coast Guard Reserve, or a discharge from the reserve with no evidence of active service in time of war.

Veteran status cannot be granted if the individual service was:

- State Militia;
- Student training corps during World War II;
- Army of the Allies but not as a citizen of the United States at the time of such service;
- Military service during peacetime;
- Military service for training purposes. Also, courses of education and training under the Army Specialized Training Program or the Navy College Training Program where the courses were a continuation of the individual's civilian courses and were pursued to completion;
- As a cadet or midshipman at one of the service academies; or
- Any military service performed pursuant to the provisions of Section 511(d) of Title 10, United States Code, pursuant to enlistment in the Army National Guard or as a reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps or Coast Guard Reserve.

# ENROLLMENT

## ENROLLMENT/CERTIFICATION OF PAYROLL DEDUCTIONS

Both you and your employer must complete the enrollment application for you to enroll in the retirement system. If you qualify for veteran status (see page 5 for a definition), it is recommended that you submit a photocopy of your military discharge (DD Form 214) along with your enrollment application. Your employer will send the completed application to the Division of Pensions and Benefits for processing. When processing is complete, you and your employer will receive a *Certification of Payroll Deductions* showing the date deductions will begin, your rate of contribution and any back deductions due.

It is important to keep the *Certification of Payroll Deductions* on file with your other records so that you have a record of your enrollment in the retirement system.

## PROOF OF AGE

All members of PERS must provide proof of their age before retiring. You should attach your proof of age to your enrollment application (do not delay sending the enrollment application if proof of age is not readily available). Acceptable evidence of your age includes copies of:

- your birth or baptismal certificate;
- your passport;
- naturalization or immigration papers; or
- certain other records including military records, census records, school or business records, age recorded on marriage licenses and insurance or children's birth records.

## CONTRIBUTION RATE

**The members' contribution rate in PERS is normally 5 percent of base salary,** except in special circumstances, as determined by the State Treasurer, where they could be as low as 4 1/2%. Employee contributions will be 4 1/2% in calendar years 1998 & 1999.

Your contribution rate is applied to your base salary to determine your pension deductions. Base salary does not include overtime, bonuses or money you receive as an adjustment before retirement. Your pension contributions are deducted from your salary each payday and reported to PERS by your employer. If you work on a per diem basis or on-call basis, your employer will estimate your annual salary and



deduct contributions accordingly. Since PERS is a "qualified" pension plan under the provisions of the *Internal Revenue Code*, Section 401(a)(2) the current federal ceiling on pensionable salary (\$160,000 in 1997) applies to base salaries of PERS members.

Since January 1, 1987, **mandatory** pension contributions have been federally tax deferred. Under the 414(h) provision of the Internal Revenue Code this reduces your gross wages subject to federal income tax. Purchases of service credit are considered **voluntary** pension contributions and are not eligible for tax deferral, although the earnings on those contributions are tax-deferred.

## TRANSFERS

### *Intrafund Transfer*

If you terminate your current position covered by PERS and accept a position also covered by PERS, your new employer should file a Report of Transfer with the Division of Pensions and Benefits so that you may continue your same membership in PERS provided:

- you have not withdrawn your membership nor has your account expired (see page 39);
- you are not a multiple member (see page 9 for a definition of a "multiple member"; if you are a multiple member, your new employer should file an Enrollment Application instead of a Report of Transfer); and
- the new position is covered by PERS.

If you meet the above criteria, you are immediately eligible to continue membership in the retirement system with the new employer. It is not necessary to meet all the requirements of membership with the new employer. For example, you could take a temporary position with the new employer and still participate in the retirement system.

### *Interfund Transfer*

If you terminate your current position covered by PERS and accept another position covered by a different New Jersey State-administered retirement system, you may transfer your contributions and service credit to the new retirement system provided:

- you have not withdrawn your membership nor has your account expired (see page 39);
- you are not a dual member with concurrent service (see page 9 for the definition of a "dual member"); and
- you meet the eligibility requirements of the second system.

If you are interested in transferring your membership account, an Enrollment Application for the new system and an *Application for Inter-Fund Transfer* should be submitted by your employer to the Division of Pensions and Benefits when you meet the eligibility requirements of the new retirement system.

## **MULTIPLE & DUAL MEMBERSHIP**

You are considered a **MULTIPLE member** if you are employed **and** reported to the retirement system by more than one PERS participating employer. For example, if you are a plumbing inspector working for more than one municipality, you are enrolled as an employee of each public employer. All of your base salaries are posted to your account and are consolidated in calculating your retirement benefit. In terms of service credit, however, no more than 12 months of service credit will be given for any calendar or fiscal year.

You are required to file an enrollment application from each employer. Once you have established multiple membership, you will be classified a multiple member for your entire membership.

**Multiple members cannot withdraw or begin to collect retirement benefits until they have terminated every position covered by PERS.**

You are considered a **DUAL member**, if you are a member of more than one New Jersey State-administered retirement system at the same time. For example, if you are a State employee and a member of PERS and an educator and a member of the Teachers' Pension and Annuity Fund (TPAF), you are a dual member. Unlike the multiple member, a dual member's contributions and service credit in each system are kept separate. Benefits will be paid from each system in the event of death, retirement or withdrawal.

## **SERVICE CREDIT**

Since retirement benefits are based in part on accumulated service credit, it is important that you receive the appropriate amount of credit for the amount of time you work.

You receive one month of service credit for each month you make a full pension contribution. State employees paid through the State's Centralized Payroll Unit will receive one bi-weekly pay period of service credit for each pay period a full pension contribution is made. Employees paid on a ten-month basis (*viz.*, those employees having contracts that run from September through June) will receive service credit for the months of July and August if they return to covered employment during the month of September and make a full month's contribution.

## PRIOR SERVICE CREDIT

It is possible to receive extra free credit (credit paid for by your employer) beyond your regular service credit if you meet one of the following conditions:

- a veteran usually receives free credit for public employment in New Jersey before 1955 as long as the annual compensation was at least \$300.
- a non-veteran whose employer adopted the retirement system prior to July 1, 1966 and who enrolled in the retirement system within one year after the adoption gets free credit for service rendered to the employer prior to the date of the adoption.
- a non-veteran employee who became eligible for membership on July 1, 1966 (under the provision of Chapter 71, P.L. 1966) may receive credit for service before that date if the employer adopts a resolution under the provisions of Chapter 217, P.L. 1966.

If you meet one of the above conditions, contact the Division of Pensions and Benefits for further details.

## PURCHASING SERVICE CREDIT

Since your retirement allowance is based in part on the amount of service credited to your account at the time of retirement, it may be beneficial for you to purchase additional service credit if you are eligible to do so. Only **active contributing members** are permitted to purchase service credit. In no case can you receive more than one year of service credit for any 12-month calendar or fiscal year. A dual member cannot purchase concurrent service.

## TYPES OF SERVICE ELIGIBLE FOR PURCHASE

- 1) **TEMPORARY SERVICE**—Members are eligible to purchase service credit for employment that led to enrollment in PERS if the employment was continuous and with the same employer.
  - Members are allowed to purchase temporary service rendered under a former account.
  - Part-time, hourly and substitute service may be eligible for purchase.
  - Job Training Partnership Act (JTPA) service is **not eligible**.

**No partial purchase is permitted.** A member must purchase **all** eligible temporary service.

**2) LEAVE OF ABSENCE WITHOUT PAY**—Members are eligible to purchase official leaves of absence without pay. (Up to 2 years for personal illness; up to 3 months for personal reasons.)

- Maternity leave is considered personal illness.
- Child care leave may be eligible for purchase as a leave for personal reasons.
- A leave of absence without pay under a former membership may be eligible for purchase.
- If a member paid on a 10-month basis goes on an approved leave for personal reasons for the months of May, June or September, the member will be allowed to purchase up to a maximum of 5 months.

**No partial purchase is permitted.** A member must purchase **all** eligible leaves of absence.

**3) FORMER MEMBERSHIP SERVICE**—This reflects all service credited under a previous membership (PERS, TPAF, PFRS) which has been terminated after two consecutive years of inactivity in accordance with statute or through withdrawal by the member of the contributions made under such membership.

**No partial purchase is permitted.** A member must purchase **all** eligible previous service.

**4) OUT-OF-STATE SERVICE**—Members are eligible to purchase up to 10 years of public employment rendered in any state, county, municipality, school district or public agency in another state provided the service rendered would have been eligible for membership in a New Jersey administered retirement system. This service is only eligible for purchase if the member is not receiving or eligible to receive retirement benefits from the out-of-state public pension fund.

**Partial purchase is permitted.**

**5) UNITED STATES GOVERNMENT CIVILIAN SERVICE**—Members are eligible to purchase up to 10 years of credit for civilian service rendered with the United States government if the public employment would have been eligible for credit

in a New Jersey administered retirement system. This service is only eligible for purchase if the member is not receiving or eligible to receive retirement benefits from the federal government based in whole or in part on this service.

The statute specifically provides that the employer shall not be liable for any portion of the cost to purchase. **The member is responsible for the full cost of the purchase.**

**Partial purchase is permitted.**

- 6) MILITARY SERVICE BEFORE ENROLLMENT**—Members may purchase up to 10 years of active-duty military service rendered prior to enrollment provided the member is not receiving or eligible to receive a military pension or a pension from any other state or local source for such military service.

The statute specifically provides that the employer shall not be liable for any portion of the cost to purchase. **The member is responsible for the full cost of the purchase.**

**Partial purchase is permitted.**

- 7) MILITARY SERVICE AFTER ENROLLMENT**—Members may purchase military service rendered after August 1, 1974 if -

- you were a member of a New Jersey State-administered retirement system when you entered the peacetime military service, **and**
- you return to employment within the time periods prescribed by federal law in a position covered by a New Jersey State-administered retirement system when you are discharged from or otherwise end your military service, **and**
- within one year following the date of return to employment or the date initial pension contributions are certified to begin, you apply for or inquire in writing about the purchase of this service.

- 8) UNCREDITED SERVICE**— Any regular employment with an employer in New Jersey for which the member does not have retirement credit and which would have been previous compulsory membership service.

**No partial purchase is permitted.** A member must purchase **all** eligible uncredited service.

- 9) FORMER MEMBERSHIP IN A LOCAL, COUNTY or MUNICIPAL RETIREMENT**

**SYSTEM**—Enables members to purchase service credit established within a local retirement system in New Jersey if they are ineligible to transfer the service to PERS. This service is only eligible for purchase if the member is not receiving or eligible to receive retirement benefits from that public pension fund.

The statute specifically provides that the employer shall not be liable for any portion of the cost to purchase. **The member is responsible for the full cost of the purchase.**

**No partial purchase is permitted.** A member must purchase **all** eligible service.

**LIMIT ON PURCHASE OF NON-NEW JERSEY SERVICE**— A member is eligible to purchase an aggregate of 10 years of the following types of service: Out-of-State Service, Military Service and United States Government Civilian Service. A veteran member may purchase an additional 5 years of military service if rendered in wartime.

## COST AND PROCEDURES FOR PURCHASING SERVICE CREDIT

A member may obtain a quotation of the cost of purchasing additional service credit by submitting a written request to: Supervisor of Purchases, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295. It is the member's responsibility to obtain certification of the employment from the former employer for the service credit being purchased if it is not on file with the Division of Pensions and Benefits. No quotations of cost will be calculated until verification of employment is received by the Division of Pensions and Benefits.

The cost of a purchase is based on your nearest age (see chart on right) at the time the Division receives your request and the higher of your current annual salary or highest fiscal year salary posted to your account as a member of the retirement system. To estimate the cost of a purchase, multiply the higher of your current annual

**PERS  
Purchase Rate Chart**

Age	Purchase Factor	Age	Purchase Factor
20	0.031379	46	0.049932
21	0.031759	47	0.051155
22	0.032158	48	0.052433
23	0.032578	49	0.053768
24	0.033018	50	0.055163
25	0.033480	51	0.056620
26	0.033964	52	0.058144
27	0.034471	53	0.059737
28	0.035002	54	0.061403
29	0.035558	55	0.063145
30	0.036139	56	0.064967
31	0.036748	57	0.066873
32	0.037384	58	0.068868
33	0.038048	59	0.070956
34	0.038743	60	0.073142
35	0.039469	61	0.072021
36	0.040227	62	0.070853
37	0.041019	63	0.069637
38	0.041847	64	0.068380
39	0.042711	65	0.067083
40	0.043613	66	0.065746
41	0.044555	67	0.064376
42	0.045539	68	0.062973
43	0.046567	69	0.061545
44	0.047640		
45	0.048761		

salary or highest fiscal year salary times the actuarial factor corresponding to your nearest age. The result is the cost of one year of service. Multiply this cost by the appropriate number of years being purchased. This procedure can be used for calculating the cost of Temporary Service, Former Membership, Leaves of Absence, Uncredited Service and Out of State Service. To calculate the purchase cost of Military Service before Enrollment, US Government Service and Former Membership in a Local, County or Municipal Retirement System, the same procedure is used except the resulting figure is doubled. The calculation for the purchase cost of Military Service after Enrollment is different from any other type of purchase. Contact the Division of Pensions and Benefits if you are interested in this type of purchase. The cost of a purchase of service credit may increase with an increase in your age and/or salary.

***EXAMPLE:** Member, age 45, earning \$30,000 a year, wishes to purchase 18 months temporary service:*

*Purchase Factor (from chart) = 0.048761*

Purchase Factor X Annual Salary X Time being Purchased = Purchase Cost

0.048761 X \$30,000/yr X 1.5 years = \$2194.25

*If the same member were to purchase 18 months of military service, the Purchase Cost would be \$4388.50 or twice the amount of the temporary service.*

You may purchase service credit —

- immediately in one lump sum;
- by having extra payroll deductions withheld from your pay. The minimum deduction must be equal to at least one-half of your rate of pension contribution and paid over a maximum of 10 years and includes interest of 8.75%; or
- by paying a single down payment of at least \$250 and having the remainder paid through payroll deductions.

The cost of purchasing most service is borne by both you and the participating employers; however, if you are purchasing military service, US government civilian service and former membership in a local, county or municipal retirement system, you must pay both the employee and employer share of the cost.

After the processing of your request by the Division of Pensions and Benefits to purchase service credit, you will receive a quotation of the purchase cost. You must respond to the Division of Pensions and Benefits within the time period specified in the cost quotation.

**Once you have authorized one of the payment options and your pension account has been credited with the additional service, you cannot revoke your request or receive a refund.**

When you agree to purchase a certain amount of service credit, the Division of Pensions and Benefits assumes that you will complete the purchase and credits your account with the entire amount of service even if you are paying the cost through payroll deductions. If you retire before completing the purchase, you will receive prorated credit for the amount of service actually purchased or you can pay the balance and receive full credit. Any estimates of retirement allowance you receive, including your Personal Benefits Statement, are based on the full amount of service credit you agreed to purchase.

You may obtain a purchase kit from your employer or by contacting the Division of Pensions and Benefits.

## LOANS

**Active contributing members** are eligible to borrow up to one half of their pension contributions twice per calendar year. You may obtain a loan from the retirement system by filing a properly completed and notarized *Loan Application* with the Division of Pensions and Benefits. This form is available from your employer.

You may call the "Automated Information System" at (609) 777-1777 for information concerning the amount you can borrow, the repayment schedule and information pertaining to your particular loan application.

Loans are governed by the following conditions—

- **SERVICE CREDIT** — You must have three years of pension membership credit **posted** to your account in the retirement system. Pension contributions are **posted** to your account on a quarterly basis. It normally takes 60 days after the end of a quarter for your contributions to be **posted** to your account. For example, if you enrolled in the retirement system on January 1, 1997, you would not have three years **posted** to your account until March, 2000.
- **LOAN AMOUNT** — The maximum you may borrow is one-half of the contributions you have made which are **posted** to your account. Loans are made in multiples of \$10.00. The minimum amount you may borrow is \$50.00. You may learn the maximum amount you may borrow by calling the "Automated Information System" at (609) 777-1777.
- **LOAN REPAYMENT** — **The minimum deduction toward the repayment of a loan is equal to your pension contribution rate at the time of the request.**

The maximum amount you may pay toward the repayment of your loan is 25%



of base salary. The maximum time period over which a loan may be repaid is 10 years. You may learn the minimum deduction toward the repayment of a loan by calling the "Automated Information System" at (609) 777-1777.

- **INTEREST** — Interest is charged at the rate of 4% per year on the remaining balance.
- **NUMBER OF LOANS PER YEAR** — You may only borrow twice in any calendar year. This is determined by the date of the check, not the date of the request. For example, if you made a request for a loan on December 24th but the check was dated January 5th, the loan would be your first for the new year.
- **UPON RETURN FROM AN UNPAID LEAVE OF ABSENCE** — If you return from an unpaid leave of absence, you cannot borrow until contributions begin to be posted to your account. In these cases, your employer must complete the bottom portion of the *Loan Application* to certify that you have returned to employment.

Members may borrow regardless of age. If you retire before repaying the outstanding balance of your loan, the net value of your retirement checks will be withheld until the loan (plus interest) is recovered. You may also repay your outstanding loan balance in one lump sum prior to retirement. If a member is retiring for reasons of disability, deductions to repay the balance of the loan may be taken from each monthly pension check; however, this must be requested in writing along with proof of disability.

If you die before repaying your loan (either before or after retirement), the outstanding balance will be deducted from the proceeds of any benefits being paid to your beneficiaries.

If you terminate employment and withdraw your contributions before repaying your loan, all your contributions less the loan balance will be returned to you.

## **NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN**

If you are an employee of the State, you may be eligible for the New Jersey State Employees Deferred Compensation Plan. Contributions to the plan are not subject to federal income tax until you take a distribution from the plan, either at retirement or termination before retirement. The main benefits of the plan are to help you save on federal income tax now and to supplement your retirement income through investments.

Informational booklets on investment options and other pertinent information are available by writing to: **Division of Pensions and Benefits, New Jersey State Employees Deferred Compensation Plan, PO Box 295, Trenton, New Jersey 08625-0295.**

## SUPPLEMENTAL ANNUITY COLLECTIVE TRUST

The Supplemental Annuity Collective Trust is comprised of two plans. The Supplemental Annuity-Regular Plan is available to all actively contributing members of a New Jersey State-administered retirement system. Contributions to this plan are made after deductions for federal income tax. The Supplemental Annuity-Tax Sheltered Plan is available to actively contributing members of public educational institutions. Contributions to this plan are made before deductions for federal income tax. The main benefit of both plans is to help supplement your retirement income through investments.

Informational brochures and enrollment packets are available by writing to: **Division of Pensions and Benefits, Supplemental Annuity Collective Trust, PO Box 295, Trenton, New Jersey 08625-0295.**

## RETIREMENT

### TYPES OF RETIREMENT

There are several types of retirement for which you may qualify—

- **SERVICE RETIREMENT** is the type of retirement for which most members qualify. The retirement age is 60 or older and no minimum amount of service credit is required. The formula to calculate the maximum annual pension is:

$$\frac{\text{Years of Service}}{60} \times \text{Final Average Salary} = \text{Maximum Annual Allowance}$$

For example: A member with 20 years of service would receive 20/60 or 1/3 of final average salary. You receive a slightly higher percentage for each additional month of service.

‘YEARS OF SERVICE’ means the years and months of pension service credited to your account.

‘SALARY’ means the base salary on which your pension contributions are based. It does not include extra pay for overtime or money given in anticipation of your retirement. It does not include such factors as housing and uniform

allowances.

'FINAL AVERAGE SALARY' means your average salary for the three years immediately preceding your retirement (either 36 months for employees with 12 month contracts or 30 months for employees with 10 month contracts). If your three last years are not your highest years of salary, your allowance will be calculated using your three highest fiscal (July 1 to June 30) years of salary. If this is the case, please indicate on your retirement application that you had higher fiscal years of salary.

- EARLY RETIREMENT is available to those members who have 25 years or more of service credit before reaching age 60. The benefit is calculated using the Service Retirement formula; however, if you retire before age 55, your allowance is permanently reduced 1/4 of 1 percent for each month under that age (3% per year). For example, if you retire at age 54, you will receive 97 percent of your full retirement allowance. Here are other reduction factor examples—

Age	Reduction Factor	Age	Reduction Factor
54	.97	50	.85
53	.94	49	.82
52	.91	48	.79
51	.88	47	.76

- VETERAN RETIREMENT is available to qualified veterans (see page 5). If they have not already done so, qualified veterans should submit a copy of their DD Form 214 (discharge papers) showing both their induction and discharge dates. To qualify for veteran retirement benefits you must be in active employment until the effective date of retirement. These benefits cannot be deferred.

Veterans who continue in employment covered by PERS until they are at least age 62 with 20 or more years of service credit are entitled to an annual benefit equal to one-half of the salary on which pension contributions were made in any consecutive 12-month period which would provide the largest possible benefit to the member.

Veterans who are at least age 60 with 35 or more years of service credit are entitled to an annual allowance based on the following formula:

$$\frac{\text{Years of Service}}{60} \times \frac{\text{Last 12 months Salary}}{\text{Maximum Annual Allowance}} = \text{Maximum Annual Allowance}$$

**Veterans benefits cannot be deferred and members must meet all the requirements to qualify.** Veteran members may retire on the same basis as non-veteran members if it would result in a higher benefit.

- DEFERRED RETIREMENT is available to those members who have at least ten years of service credit and are not yet 60 years of age when they terminate

employment. The retirement would be effective on the first of the month after attaining age 60. You will receive a retirement allowance based on the Service Retirement formula. You may apply for a Deferred Retirement when you terminate covered employment.

Your life insurance coverage is **not** in effect between the time you terminate employment and your Deferred Retirement becomes effective. The beneficiary named on your *Application for Retirement Allowance* does not take effect until your retirement is paid. If you die between the time you terminate employment and your retirement becomes effective, the last named beneficiary on your active account will receive the return of your pension contributions with interest, if applicable. There is no other death benefit under these circumstances.

Those electing Deferred Retirement cannot normally transfer their active health care coverage to the retired group of the State Health Benefits Program; however, those electing Deferred Retirement may be eligible for continuation of State Health Benefits coverage under the federal legislation called 'COBRA' for up to 18 months if they were covered by the State Health Benefits Program just prior to terminating employment. If the actual retirement commences while the 18 months of COBRA coverage is in effect, the retiree may then transfer from the COBRA coverage and continue the State Health Benefits coverage into retirement. If the 18 months of COBRA coverage ends before the retirement commences, the member will not be entitled to maintain health coverage through the New Jersey State Health Benefits Program. Participants should contact their employer to see if they qualify for COBRA continuation. If you are not covered by the State Health Benefits Program, contact your employer concerning COBRA continuation.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for withdrawal instead. Once you cancel your Deferred Retirement and withdraw your contributions, all the rights and privileges of membership end.

— ORDINARY DISABILITY RETIREMENT: To qualify you must—

- have an active pension account (*i.e.*, must have had at least one pension contribution credited to your account within the past two years);
- have 10 or more years of New Jersey service credit (out-of-state, military and US government civilian service purchases cannot be used to attain the 10 years); and
- be considered totally and permanently disabled for the performance of your job.

If you qualify for Ordinary Disability, the annual benefit is equal to 40 percent of your final average salary (FAS) or 1.5 percent of your FAS for each year of service credit, whichever is higher.

The *Application for Disability Retirement* is available directly from the Division of Pensions and Benefits. The application contains a form for your physician(s) to complete and a release for hospital records related to your disability. It is the applicant's responsibility to arrange for all physician's statements and to have hospital records sent to the Division. Applicants may be examined by physicians selected by the retirement system. All medical information is confidential and only for use by the PERS Board of Trustees in evaluating your application. The more complete the application, the faster it can be evaluated, although the process may take six months or more. Your employer has the right to apply for an involuntary disability retirement on your behalf.

**Approval for Workers' Compensation or Social Security Disability benefits does not necessarily qualify you for Ordinary Disability Retirement.**

— ACCIDENTAL DISABILITY RETIREMENT: To qualify you must—

- be an active member of PERS on or before the date of the "traumatic event" (see definition below) and at the time you file your application for retirement;
- be considered totally and permanently disabled as a result of a traumatic event that happened **during and as a direct result of carrying out your regular or assigned job duties**;
- file the application within five years of the date of the traumatic event; and
- be examined by physicians selected by the retirement system. All medical information is confidential and used only by the Board of Trustees in reviewing your claim.

'TRAUMATIC EVENT' has been defined by the courts as one in which the worker is involuntarily exposed to a violent level of force or impact which is not brought into motion by the worker. To be eligible for Accidental Disability benefits, the applicant must demonstrate that:

- the injury was not induced by normal work effort;
- the worker met involuntarily with the object that was the source of the harm; and
- the source of the injury was a violent or uncontrollable power.

If you qualify for Accidental Disability, your annual retirement allowance will be 2/3 of your salary at the time of the traumatic event.

If you apply for Accidental Disability and are found by the Board of Trustees to be totally and permanently disabled but not as a result of a traumatic event, you may be retired on Ordinary Disability.

The *Application for Disability Retirement* is not available from your employer. You should contact the Division of Pensions and Benefits to obtain this application. The application contains a form for your physician(s) to complete, a form for your employer to complete with questions regarding the traumatic event, and a release for hospital records related to your disability. It is the responsibility of the applicant to secure all physician's statement and to arrange for hospital records to be sent to the Division. The more complete your application, the faster it can be processed, although it may take six months or more. Your employer has the right to apply for an involuntary disability retirement on your behalf.

**Approval for Workers' Compensation or Social Security Disability benefits does not necessarily qualify you for Accidental Disability.** If you receive periodic workers' compensation benefits after retirement, the pension portion of your retirement allowance will be reduced dollar-for-dollar in the amount of the periodic benefits.

## OPTIONAL SETTLEMENTS AT RETIREMENT

Most members of PERS are covered by group life insurance while employed. At retirement, those members will have reduced life insurance, at no cost, payable to a beneficiary upon their death, provided they had at least ten years service in the retirement system.

You may want to leave a pension benefit to a beneficiary in addition to the life insurance. When you complete your *Application for Retirement Allowance* you will have to choose either the Maximum Allowance or one of four options that provide a pension benefit to your beneficiary. Selecting an option will permanently reduce your monthly retirement allowance. The amount of this reduction depends on which option you select. Once your retirement becomes due and payable you cannot change the option. "Due and payable" is defined as 30 days after your retirement date, or 30 days after your retirement has been approved by the PERS Board of Trustees, whichever is the later date.

- **Maximum Allowance** provides the highest retirement allowance payable. Upon your death all pension benefits will cease. If your death should occur before you have received distribution of all your accumulated pension contributions, with interest, the remainder of the undistributed contributions will be paid to your beneficiary. If you are legally married and choose the Maximum allowance, State law requires that your spouse be notified of your choice.
- **Option 1** sets aside an initial reserve based on your life expectancy. This reserve is then reduced each month by the amount of your initial monthly retirement allowance. Upon your death, the balance of the reserve, if any,

is paid to your beneficiary(ies). If you exhaust your initial reserve, you will continue to receive your monthly retirement allowance during the course of your lifetime; however, there are no further pension benefits payable to your beneficiary(ies).

You may designate more than one beneficiary for Option 1. A beneficiary may be a person, a charity, an institution or your estate. You may change a beneficiary under this option at any time. Upon your death, your beneficiary may elect to receive the proceeds in a lump sum or as an annuity payable over a certain number of years.

Options 2, 3 and 4 pay a monthly allowance to a beneficiary upon your death for the lifetime of that beneficiary. Under any of these options, once your retirement has become due and payable, you cannot change the beneficiary, regardless of the circumstances. If your designated beneficiary dies before you, your monthly allowance will not be increased nor can you name a new beneficiary. Your age and the age of the beneficiary determine your monthly allowance — the younger the beneficiary, the more your pension is reduced to account for the longer life expectancy of the beneficiary who will receive an allowance for the remainder of his/her lifetime after your death.

- **Option 2** provides that, upon your death, a single beneficiary will receive the same monthly allowance that you were receiving at the time of your death for the duration of the beneficiary's lifetime. Should you and your beneficiary die before all your accumulated pension contributions plus interest have been distributed as part of a monthly allowance, the remainder will be paid to your contingent beneficiary or estate.
- **Option 3** provides that, upon your death, a single beneficiary will receive one-half of the monthly allowance that you were receiving at the time of your death for the duration of his/her lifetime. Should you and your beneficiary die before all your accumulated pension contributions plus interest have been distributed as part of a monthly allowance, the remainder will be paid to your estate.
- **Option 4** provides that, upon your death, your beneficiary(ies) will receive a specified fixed monthly allowance for the duration of the beneficiary's lifetime. The beneficiary's allowance cannot be more than your allowance. Should you and your beneficiary die before all your accumulated pension contributions plus interest have been distributed as part of a monthly allowance, the remainder will be paid to your estate.

Should a member apply for retirement under one of the optional settlements and die prior to the retirement becoming effective, the beneficiary under the optional settlement may choose between the active death benefit or the retired optional settlement that the member selected.

*If you are within two years of retirement, you may wish to submit a Request for Retirement Estimate to the Division of Pensions and Benefits. This will provide you with the retirement allowances available and your group life insurance benefits. Your employer has this form or you may obtain one from the Division of Pensions and Benefits. Retirement estimates are kept confidential.*

## APPLYING FOR RETIREMENT

**It is your responsibility to file an *Application for Retirement Allowance* with the Division of Pensions and Benefits.** All retirements are effective on the first of a month. You are permitted to submit your *Application for Retirement Allowance* as late as the last business day prior to your retirement date, but **six** months advance filing is recommended. Under no circumstances can a retirement become effective prior to the date the application is received by the Division of Pensions and Benefits. Processing time varies and cannot begin until the Division has received all the necessary information and forms from both you and your employer.

If you have not furnished proof of your age to the Division, you must do so when applying for retirement (see page 7 for acceptable proofs of age). Proof of age for your beneficiary is required if you choose Options 2, 3 or 4. If your beneficiary's birth evidence is in her maiden name, identifying documentation (marriage certificate) is also necessary. Please attach copies of any proofs of age to your retirement application.

## STATE HEALTH BENEFITS COVERAGE AT RETIREMENT

If you fall into one of the categories listed below, you will be offered coverage under the NJ State Health Benefits Program (SHBP) into retirement:

- Employees and dependents already covered by the SHBP through your employer. If you are not eligible for employer-paid coverage, you may continue the coverage by paying the appropriate premium;
- Board of education or county college employees who retire with 25 or more years of service credit in PERS or on a disability retirement even if your employer did not participate in the SHBP. This includes members who elected deferred retirement with 25 or more years of service credit. Eligibility is limited to full-time employees as defined by N.J.A.C. 17:9-4. The state has agreed to pay for the health benefit cost if you fall into this category; and
- PERS members who retired from a board of education, vocational/technical school or special services commission, provided you are participating in the health benefits plan of your employer and are enrolled in Medicare Parts A and B. You are required to pay the full cost of the coverage.



## LOANS/PURCHASE ARREARS/SHORTAGES

If you retire with an **outstanding loan balance**, you may:

- pay the loan in full prior to receiving any benefits;
- have the net value of your retirement checks withheld until the loan balance plus interest has been recovered; or
- continue your monthly loan repayment schedule into retirement, if you retire because of a medical illness or disability. To qualify, you must supply sufficient medical evidence to prove that you are totally and permanently disabled and can no longer perform your regular or assigned job duties.

The *Quotation of Retirement Benefits* that you receive after filing for retirement will state the balance of your loan as of your retirement date (this may be delayed if the *Certification of Service and Final Salary* from your employer is late). At that time, you must inform the Division, in writing, how you wish to handle your loan balance. If you do not respond, the net value of your retirement check will be withheld each month until the loan balance plus interest has been recovered.

When you apply for a **purchase of service credit**, the Division assumes that the obligation will be paid before your retirement and your account is credited with the full amount of service you are purchasing. If this obligation has not been paid when you retire, your *Quotation of Retirement Benefits* will state the balance of your arrears (purchase) as of your retirement date (this may be delayed if the *Certification of Service and Final Salary* from your employer is late). At that time, you must inform the Division, in writing, how you wish to settle your obligation. If you cannot pay off the balance, the service credit which has not been paid for will be subtracted from your total years and months of service. This will affect the amount of your retirement allowance and may affect your eligibility for retirement.

A **shortage** in your pension account happens when your employer does not deduct the proper pension contribution from your salary. You will be notified by the Division of Pensions and Benefits of the amount of the shortage. You are responsible for payment of any shortages at retirement.

**No retirement will be processed or paid until all obligations have been satisfied.**

## RETIREMENT CHECKS/CHANGE OF ADDRESS/DIRECT DEPOSIT

Your first retirement check cannot be mailed earlier than 30 days following the date of the PERS Board of Trustees' approval or your retirement date, whichever is later. This is when your retirement becomes 'due and payable.' **If approval of your retirement is delayed, your first check will be retroactive to the date of your retirement.**

If you die within this 30-day period, certain options must be considered by your beneficiaries. Beneficiaries should contact the Division of Pensions and Benefits if this happens and request information concerning filing a death claim.

All checks drawn for a full monthly allowance are dated on the first of the month to cover the allowance for the previous month. For example, your check for the month of September will be dated October 1st.

Although retirement checks can be forwarded to a new address, it is important that you inform the Division of Pensions and Benefits of a new address. When informing the Division of Pensions and Benefits of a new address, be sure to include your new address and your retirement number or social security number. You can change your address with the Division of Pensions and Benefits by calling (609) 292-MOVE [6683].

**Direct deposit of retirement checks is also available and recommended.** Shortly after your retirement date you will receive a Direct Deposit form from the Division of Pensions and Benefits. If you wish to have your retirement checks directly deposited, send the completed form to the Division of Pensions and Benefits (you will still receive a monthly statement of allowance and deductions). Please allow approximately 90 days for the direct deposit to begin. Direct Deposit will prevent your retirement checks from being lost or stolen.

## FEDERAL AND STATE INCOME TAX AFTER RETIREMENT

If you began contributing to the pension plan in 1987 or after, and you have not made a purchase of service credit, your entire pension is subject to federal income tax because your contributions have never been taxed. The contributions made to purchase service credit are not taxable since they have already been taxed.

If you contributed to the pension plan before 1987, or if you have made a purchase of service credit since 1987, your pension is immediately taxable based on the “**expected return rule**”. Part of your retirement allowance comes from your own pension contributions. Since your contributions before 1987 and any purchase of service credit were already taxed, the Internal Revenue Service (IRS) will allow you to recover those contributions tax-free. This recovery is spread out over your expected lifetime according to IRS life expectancy tables. This means that a small portion of each monthly retirement check is tax-free. The remainder of the monthly benefit is subject to federal income tax.

For those who retired January 1, 1987 and after, the tax-free amount will be accumulated until the total is equal to the amount of your contributions which were previously taxed. At that point your total pension becomes taxable. For those who retired before January 1, 1987, the tax-free portion remains the same as long as you or your beneficiary receive a pension.

As of January 1, 1984, the exclusion from federal tax liability for disability pensions was repealed. Your disability pension is taxable to the same extent as other pensions. Any questions should be referred to the IRS at 800-829-1040.

Each retirement check is accompanied by a Statement of Allowances and Deductions. These check stubs should be retained with your other income tax records. The Division of Pensions and Benefits also issues an annual 1099R reflecting the taxable retirement allowance paid during the preceding tax year.

The Division of Pensions and Benefits will provide for the withholding of federal and New Jersey State income tax from your retirement check. The Division is obligated to withhold federal income tax unless you file a W-4P instructing us not to do so. New Jersey income tax withholding is voluntary, and none will be withheld unless you instruct us to do so. Please keep in mind that if you live outside New Jersey your retirement benefits are not subject to New Jersey State income tax, but may be subject to state or local taxes in the jurisdiction in which reside. There is no provision for withholding any local or out-of-state taxes. You may obtain a federal W-4P or New Jersey State withholding form by calling or writing the Division of Pensions and Benefits.

Any questions about your federal or New Jersey State income tax should be directed to the Internal Revenue Service at 800-TAX-1040 or the New Jersey Division of Taxation at 800-323-4400. **The Division of Pensions and Benefits cannot provide tax advice.**

## REDUCTION OR SUSPENSION OF YOUR BENEFITS

Normally, you will receive retirement benefits as long as you live. Your benefits, however, could be revoked, reduced or suspended if —

- as a disability retiree, you fail to appear for your annual medical examination when requested to do so.
- as an accidental disability retiree, you receive workers' compensation benefits after your retirement date.
- as a disability retiree, you fail to file your annual statement of earnings.
- you return to a position covered by PERS and your annual salary exceeds \$10,000. (see page 4).
- you fail to file a *Certificate of Eligibility* when you are asked to do so. This certificate is necessary, for example, if you or one of your beneficiaries has a change in marital status.
- you become mentally or physically incompetent. Your benefits will not be reinstated until a legal representative has been appointed.
- you have an outstanding loan balance at the time of your retirement.

- you receive salary from your employer after your date of retirement.
- you waive your right to a portion of any pension to which you are entitled.
- you are incarcerated (although the Board of Trustees may permit the continuance of your benefits to your family).
- **an accounting error is made and PERS must be repaid.**

Your pension is normally exempt from any liens against it. Exceptions are tax liens imposed by the federal Internal Revenue Service, and court orders for child support, alimony or equitable distribution. The order is effective only when you withdraw your funds or when you begin to receive monthly retirement payments. If the order is received while you are in active employment, it is deferred until pension funds are disbursed (retirement, death or withdrawal).

Your benefits can be reduced or suspended if you are convicted of a crime involving your employment. The Board of Trustees is empowered to order the forfeiture of all or part of the pension or retirement benefit of a member for misconduct during public service which renders the service, in whole or in part, dishonorable. The Division of Law is required to inform the Division of Pensions and Benefits whenever a public official or employee is prosecuted or convicted. State and local public employers are also required to notify the Division of Pensions and Benefits whenever a public official or employee is removed from public office or employment for cause. **The Board of Trustees considers each case on its own merits.**

## **COST-OF-LIVING ADJUSTMENT**

The Pension Adjustment Program provides cost-of-living adjustments to retirees and their survivors who receive a monthly retirement allowance from the State-administered retirement systems. The first adjustment is available to all retirees and eligible survivors on the 25th month after the member's retirement. Subsequent cost-of-living adjustments are computed annually and the adjustment is reflected in the February 1st check (which is payment for the month of January).

The Division of Pensions and Benefits uses the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W), U. S. City Average, All Items, 1982-84=100. Your rate of increase is equal to 60 percent of the percentage of change between the average CPI for the calendar year in which you retired and the average CPI for the 12 month period ending August 31, immediately preceding the year when the adjustment is payable.

### ***Example: To calculate the COLA due February 1, 1997***

A member retired in 1983 with a monthly retirement allowance of \$1,278.35\*. The average CPI for the twelve months ending December 31, 1983 was 99.8. The average

CPI for the twelve months ending August 31, 1996 was 152.6.

*\* If the member chose Option 1, the COLA would be calculated on the Maximum Retirement Allowance.*

- To calculate the change in the CPI, subtract 99.8 from 152.6.

$$152.6 - 99.8 = 52.8$$

- To calculate the percentage change in the CPI between the retirement year, 1983, and the 12 months ending August 31, 1996, divide 52.8 by 99.8 which equals 52.906%.

$$52.8 / 99.8 = 52.906\%$$

- The cost-of-living adjustment rate for February 1, 1997 equals 60% of 52.906% or 31.744%.

$$60\% \times 52.906\% = 31.744\%$$

- Therefore the cost-of-living adjustment for this member is 31.744% of \$1,278.35 or a \$405.80 increase.

$$31.744\% \times \$1,278.35 = \$405.80$$

- The total monthly benefit equals \$1,684.15 (\$405.80 + \$1,278.35).

## **SOCIAL SECURITY**

Your pension is not reduced by any social security benefits you may receive.

## **EMPLOYMENT AFTER RETIREMENT**

Working for private industry or the federal government will not affect your PERS retirement benefits. Most public employees will not resume public employment in this state after retirement. For those who do, there are several areas of concern:

- **RETURNING TO A POSITION UNDER PERS** — If you accept regular full or part-time employment in a position covered by PERS and expect to receive a base salary over \$15,000, you must reenroll in PERS as a condition of your employment. Your retirement allowance will be cancelled for the duration of your employment. Your date of enrollment is determined under the general enrollment procedures of PERS (see page 7). You become an active member again. If you die while in the second membership, no benefits from the previous membership or retirement are payable. The benefit would be the active death benefit under the second membership (this includes optional settlements and death benefits). If over age 60, you must prove insurability for life insurance coverage.

If you return to employment under PERS and are eligible for membership and

you fail to enroll, you would be required to **reimburse** the retirement system in the amount of **all** retirement benefits you received since the date you should have enrolled. **In addition**, you would be required to **pay** pension contributions in the form of back deductions back to your enrollment date. Your employer may also be liable for pension and social security contributions. There is no limitation on the amount of reimbursement that may be recovered by the retirement system in these situations.

When you retire again, the first allowance is restored and a second allowance is calculated based on your second membership. These two calculations are paid in the same retirement check.

If you are elected to public office, enrollment in PERS is **optional**. If you decide not to enroll in PERS, you are entitled to collect your PERS retirement allowance while you are receiving salary as an elected official.

- **RETURNING TO WORK IN A POSITION COVERED BY A DIFFERENT STATE OF NEW JERSEY ADMINISTERED RETIREMENT SYSTEM**— In this case, your retirement allowance continues and you can receive salary but cannot become a member of that system.
- **DISABILITY RETIREES RESTORED TO ACTIVE SERVICE** — When you return to employment in a position covered by PERS, you enroll again in the retirement system. Deductions for pension are resumed and you are treated as active in all respects. Upon subsequent retirement, you will receive a benefit based on total service.
- **DISABILITY RETIREES** — Your annual retirement allowance may be adjusted if you have earnings from employment after retirement. The law states that the pension of such a retiree shall be reduced to an amount which, when added to the amount being earned by the retiree, does not exceed the amount of salary currently attributable to the former position of the retiree.
- **STATE HEALTH BENEFITS COVERAGE** — Returning to public employment in New Jersey may affect your eligibility to continue coverage under the State Health Benefit Program. Contact the Division of Pensions and Benefits for information.
- **SOCIAL SECURITY BENEFITS** — There is an earnings test for most people receiving social security benefits. Check with the Social Security Administration for information.

## YOUR RETIREMENT CHECKLIST

### 6 to 8 months before retirement

- \_\_\_ Complete a *Request for Retirement Estimate* (available from your employer or by calling the Division of Pensions and Benefits at (609) 777-1931 and selecting item #207).
- \_\_\_ Consider attending a seminar conducted by the Division of Pensions and Benefits at various sites in New Jersey. Contact the New Jersey Human Resource Development Institute at (609) 987-6300 for seminar dates, locations and registration information.

### 4 to 6 months before retirement

- \_\_\_ Complete an *Application for Retirement Allowance* and submit it to the Division of Pensions and Benefits (available from the Division or your employer).
  - Attach a copy of proof of your age, if not on file with the Division, and proof of your beneficiary's age, if choosing Options 2, 3 or 4.
  - Attach a copy of your military discharge (DD Form 214), if you are a military veteran applying for a Veteran Retirement and have not already verified your veteran status with the Division of Pensions and Benefits.
  - If you have applied to purchase service credit and have not received authorization to purchase, please write "Purchase Pending" on the top of your Application for Retirement Allowance.
- \_\_\_ Ask your employer to complete and submit a *Certification of Service and Final Salary* to the Division of Pensions and Benefits.
- \_\_\_ If you are a participant of Supplemental Annuity Collective Trust (SACT), contact the SACT office at the Division of Pensions and Benefits in writing or call (609) 633-2031 for the appropriate SACT forms.
- \_\_\_ If you are a participant of the N.J. State Employees Deferred Compensation Plan, contact the Deferred Compensation office at the Division of Pensions and Benefits in writing or call (609) 292-3605 for the appropriate Deferred Compensation forms.

- You will receive notification from the Division of Pensions and Benefits that they have received your retirement application. Also included are answers to some frequently asked retirement questions.

### **Approximately 1 to 2 months before retirement**

- You will receive a *Quotation of Retirement Benefits* from the Division of Pensions and Benefits. This will include:
  - A quotation of the retirement allowances available with the option you selected at the upper right-hand corner.
  - If you have an outstanding loan balance, the payoff amount will be quoted along with options on payments. You must inform the Division of Pension and Benefits in writing, how you wish to repay your loan balance. You may:
    - pay the loan in full prior to receiving any benefits;
    - have the net value of your retirement checks withheld until the loan balance plus interest has been recovered; or
    - continue your monthly loan repayment schedule into retirement if you retire because of a medical illness or disability (applies to Service, Veteran and Early retirements, as well).
  - If you have an outstanding purchase amount and/or shortage in your account, the payoff amount will be quoted.

### **Approximately 1 month before retirement**

- Your retirement will be presented to the retirement system's Board of Trustees for approval. You will receive notification from the Division of Pensions and Benefits that the Board of Trustees has approved your retirement. You will have 30 days from board approval date or your effective retirement date (whichever is later) to change your option selection or retirement date by refiling. If you change your option or retirement date at this time, your selection must again be approved by the board. This may delay your first check.
- If you are a participant of SACT, you will receive distribution forms from that plan.
- If you are a participant of the N.J. State Employees Deferred Compensation Plan, you will receive distribution forms from that plan.
- If you are eligible for retired coverage under the State Health Benefits Program (SHBP), you will receive an offering letter from the Health Benefit Bureau.



- \_\_\_ If you wish to continue other group health coverage through COBRA, such as prescription drug, dental insurance or vision care, see your employer.
- \_\_\_ Check with your employer regarding any unused sick and vacation days.
- \_\_\_ If you are 65 or older, contact your local Social Security Administration office regarding full Medicare enrollment. You must be covered by both Part A and Part B of Medicare (if eligible) to be eligible to participate in SHBP in retirement.

## **Shortly after your retirement date**

- \_\_\_ You will receive W-4P forms for withholding federal and New Jersey income tax.
- \_\_\_ You should complete the W-4P and return it to the Division of Pensions and Benefits. The Division of Pensions and Benefits will then withhold based on what you indicated on the W-4P.
- \_\_\_ You will receive a Direct Deposit form. It is recommended that your pension check be directly deposited in your bank account. Complete this form and return it to the Division of Pensions and Benefits. You should allow 90 days for direct deposit of your retirement check to begin.
- \_\_\_ Your first retirement check will be issued no earlier than one month after your retirement date or Board of Trustees approval date, whichever is later.
- \_\_\_ If you are a participant of SACT, you will receive a separate check from that plan approximately 60 days after your retirement date.
- \_\_\_ The amount of your life insurance coverage through the pension plan will decrease or terminate (if you have less than 10 years of service) at retirement. See page 36 for information about conversion of life insurance.

# ACTIVE AND RETIRED DEATH BENEFITS

## CONTRIBUTORY AND NONCONTRIBUTORY GROUP LIFE INSURANCE

- NONCONTRIBUTORY GROUP LIFE INSURANCE is provided by your employer through the retirement system. There is no cost to you for this coverage.
- CONTRIBUTORY GROUP LIFE INSURANCE is the insurance for which you pay. The law requires that you must be covered\* by contributory insurance for the first 12 months of your membership. After the 12 months have elapsed, you may cancel this coverage if you wish by filing the proper form available through your employer. Once you have cancelled this coverage, you cannot be reinstated nor are your contributions refunded. **The cost of the insurance is .55 of 1 percent (.0055) of your base salary.**

*\*Those employees who are age 60 or older at the time of enrollment and those who have converted their group life insurance to a private policy and return to work are ineligible for coverage until they take and pass a medical examination.*

Both noncontributory and contributory group life insurance are covered by policies issued by the insurance carrier (Prudential Insurance Company of America, Inc.). You will receive an individual certificate from the Division of Pensions and Benefits which you should keep with your important papers.

When an active member dies, not as a result of regular or assigned duties, the named beneficiaries are entitled to the payment of group life insurance benefits and the return of the member's accumulated pension contributions with interest (see the chart on page 34).

## CHOOSING A BENEFICIARY

Your enrollment application contains a section in which you name beneficiaries for both your group life insurance benefits and return of your contributions. You may name any person, organization, your estate or trust as beneficiary. This designation may be changed by you at any time during your membership by filing the *Designation of Beneficiary* form. At retirement, you will be asked to nominate beneficiaries on your *Application for Retirement Allowance*.

The *Designation of Beneficiary* form can be obtained from your employer or by calling the Division of Pensions and Benefits at (609) 777-1931; active employees

should select #244, retirees should select #114. Designations cannot be accepted over the telephone or through a letter. This is for your protection. All beneficiary forms require notarization.

## WHAT THE DEATH BENEFIT PAYS

The amount of death benefits paid to your beneficiaries at your death depends on three factors —

- your salary\*;
- your age; and
- your membership status at the time of death.

### Insurance Coverage while Actively Employed

<b>Age at death</b>	<b>Members with non-contributory insurance only</b>	<b>Members with both non- &amp; contributory insurance</b>
Any age	1 1/2 x salary*	3 x salary*

### Insurance Coverage while Retired

<b>Type of Retirement</b>	<b>Death before age 60</b>	<b>Death after age 60</b>
Service & Veteran	Does not apply	18.75% of salary*
Early	18.75% of salary*	18.75% of salary*
Deferred	None	18.75% of salary*
Disability	1 1/2 x salary*	18.75% of salary*

If a retiree was enrolled as a member on or after July 1, 1971, life insurance is payable only if the member retired with 10 or more years of pension membership credit or retired on a disability retirement. Contributory group life insurance coverage ceases at retirement.

*\*The definition of salary is the total base salary upon which your pension contributions were based during the last 12 months preceding your retirement or death during active service. If death occurs within the first year of enrollment, the amount of noncontributory insurance is based on base salary earned until the date of death. The amount of contributory insurance, however, is based on the full annual base salary.*

## PAYMENT OF GROUP LIFE INSURANCE

**Active** members can specify on the *Designation of Beneficiary* form how their group life insurance benefits will be paid (Group life insurance for retirees **must** be paid in a lump sum). If an active member chooses Lump Sum, the beneficiary can pick another payment option. The options are:

- LUMP SUM.
- ANNUITY CERTAIN is equal installments over a period of years. If your beneficiary dies before all the payments have been made, the remaining monies will be paid in a lump sum to your beneficiary's designated beneficiary.
- LIFE ANNUITY is paid monthly to your beneficiary for life. Payment continues even if your beneficiary outlives the actual amount of the benefits. For this reason, the value of the annuity is based on the amount payable and the life expectancy (age) of the beneficiary. Payments cease at the beneficiary's death.
- OTHER POSSIBILITIES include options provided by the insurance company (Prudential) to its ordinary life policyholders.

These death benefits cannot be paid until all the necessary information and forms have been received by the Division of Pensions and Benefits. To report a death, contact Client Services at (609) 292-7524.

## GROUP LIFE INSURANCE AND LEAVE OF ABSENCE

Your group life insurance coverage will continue in full force for an official leave of absence without pay under the following conditions:

- up to two years while on an official leave of absence for personal illness. In this case, contributions are not necessary to continue coverage under the contributory plan.
- up to one year while on an official leave to fulfill a residency requirement for an advanced degree or as a full-time student at an institution of higher education. In this case, contributions are necessary to continue coverage under the contributory plan.\*
- up to 93 days while on official leave for personal reasons (also family leave). In this case, contributions are necessary to continue coverage under the contributory plan.\*

*\* You may continue contributory life insurance coverage during these periods by forwarding the Division of Pensions and Benefits a check made payable to "PERS CGIPF". The amount due to cover the premium is 0.0055 of your monthly base salary in effect at the time you went on leave. This premium payment must be sent*

*in advance on a monthly basis while on leave for as long as you wish to keep your contributory life insurance in effect.*

## **CONVERSION OF GROUP LIFE INSURANCE**

- **TERMINATION OR LEAVE OF ABSENCE:** — If you terminate employment before retirement or your insured period during a leave of absence expires, you will continue to be covered by group life insurance (see the chart on page 34) for the following 31 days. During that period you may convert your group life insurance to an individual policy with The Prudential Insurance Company of America, Inc., not to exceed the dollar amount of coverage you had as an active member (see example).

Example: If your base salary in the twelve months prior to your termination or leave of absence was \$30,000 and you had contributory life insurance, your death benefit would be \$90,000 (3 x \$30,000). If you decide to convert your coverage, you could purchase up to \$90,000 worth of life insurance.

- **RETIREMENT** — When you retire and your group life insurance is in force at retirement, it will be reduced as shown in the chart on page 34 ; however, within the 31-day period following your retirement date or Board approval date, whichever is later, you have the privilege of converting up to the amount by which your group life insurance has been reduced.

Example: If the base salary you earned in the twelve months prior to retirement was \$30,000 and you had contributory life insurance coverage, your death benefit as an active member would be \$90,000 (3 x \$30,000). Once you retire that benefit would be reduced to \$5,625 (18.75% x \$30,000) (providing you qualify for insurance coverage in retirement). If you decide to convert your coverage, you could purchase up to \$84,375 (\$90,000 - \$5,625) worth of coverage.

When converting from group life insurance coverage to an individual non-group plan, no physical examination is needed. You may select any type of policy customarily offered by Prudential except term life insurance or a policy containing disability benefits. The individual policy will be effective at the end of the 31-day period following cessation of employment. The premiums will be higher than you would pay if you were able to qualify medically for an individual policy with any insurance carrier. To apply for conversion, contact The Prudential Insurance Company at (800) 262-1112 or your local Prudential agent. Tell them you are covered under group policy number G-14800 (noncontributory) and GC-13900 (contributory coverage). Your certificate number is your PERS membership number.

If you return to public employment after conversion, and your individual policy is still in effect at the time you enroll in the retirement system, you will be required to submit satisfactory proof of insurability before you can be covered by group life

insurance or discontinue your individual policy.

## **DISABILITY CLAIMS AND GROUP LIFE INSURANCE**

Your life insurance coverage will continue while your disability retirement benefits are being processed provided that the retirement claim was filed within 30 days of ending your employment. You do not need to make contributions to the contributory plan during this time.

## **GROUP LIFE INSURANCE COVERAGE WHILE RECEIVING WORKERS' COMPENSATION WITHOUT PAY**

If you are disabled due to an illness or injury that is a direct result of your regular job duties, you should immediately apply for an official leave of absence due to illness. Your noncontributory group life insurance will automatically continue for the duration of the leave of absence for up to two years. Once your workers' compensation benefits commence, you must pay the contributory insurance premium monthly, in advance, by direct remittance to the retirement system to continue coverage.

During the interval between the time you are without pay and the actual receipt of the workers' compensation award, you must be on an official leave of absence granted by your employer.

## **WAIVER OF NONCONTRIBUTORY LIFE INSURANCE OVER \$50,000**

The Internal Revenue Service classifies **all** life insurance coverage over \$50,000 as a fringe benefit subject to taxation. The amount of life insurance coverage is not taxable but rather the premium required to pay for the life insurance coverage is taxable. Chapter 62, P.L. 1994 permits members of the State retirement systems to waive their Non-Contributory Group Life Insurance over \$50,000 to avoid a possible federal and State tax liability on that benefit. Any member who waives the Non-Contributory Group Life Insurance, must waive the **total** amount of noncontributory coverage in excess of \$50,000. Waivers of partial amounts are not permitted. Even if a member waives the Non-Contributory Group Life Insurance over \$50,000, there still may be a federal tax liability for PERS members who have Contributory Group Life Insurance coverage.

### **IRS Premium Rates as of 12/31/93**

(per \$1,000 of coverage)

Under age 30	\$ .96
30-34	1.08
35-39	1.32
40-44	2.04
45-49	3.48

**IRS Premium Rates (cont'd)**

(per \$1,000 of coverage)

50-54	5.76
55-59	9.00
60-64	14.04
65-69	25.20
Over age 70	45.12

These rates are subject to change by the IRS, contact the IRS for current rates.

To determine the taxable amount, if any, add the amount of your noncontributory life insurance coverage to your contributory life insurance coverage then subtract \$50,000 from that total. The premium rates are then applied to the remaining life insurance amount. The premium costs for the life insurance are determined by the IRS based on your age and your salary. The premiums you pay for your contributory life insurance coverage (.0055 of base salary) are subtracted from the premium costs determined by the IRS. The remaining premium cost (if any) is the taxable amount and is added to your W-2 for that year.

**ACCIDENTAL DEATH**

If you die as a result of an accident during the performance of your regular or assigned duties, and your death is not a result of willful negligence, your beneficiaries may be entitled to Accidental Death benefits. Your widow or widower is paid an annual pension of 50 percent of your final salary. This benefit is a lifetime benefit to your widow or widower or until remarriage.

If there is no eligible widow or widower or if the widow or widower remarries, a pension is paid to your eligible children in these amounts —

- 50 percent of final salary to three or more eligible children;
- 35 percent of final salary to two eligible children; or
- 20 percent of final salary to one eligible child.

If there is no eligible widow, widower or children, a pension will be paid to your eligible parents in these amounts—

- 25 percent of final salary to one eligible parent; or
- 40 percent of final salary to two eligible parents.

Final Salary is the total base salary on which your pension contributions were based during the last year (10 or 12 months) before your death or the accident which led to your death.

Your eligible beneficiaries for Accidental Death benefits are:

- **WIDOW OR WIDOWER** means the person to whom you were married before and on the date of your death and who was receiving at least one-half support from you in the 12 months immediately preceding your death or the accident which led to your death. If your widow(er) remarries after your death, benefits cease.
- **CHILD(REN)** means your unmarried child(ren)—
  - under the age of 18
  - of any age who at the time of your death is disabled because of mental or physical incapacity and is incapable of substantial gainful employment because of the impairment. This incapacity must last or be expected to last for a continuous period of not less than 12 months as affirmed by the Medical Board.
- **PARENT(S)** means your parent(s) who was receiving at least one-half support from you in the 12 months immediately preceding your death or the accident which led to your death. If your parent remarries after your death, benefits cease.

## **WITHDRAWAL FROM THE RETIREMENT SYSTEM**

### **WHEN MEMBERSHIP ENDS**

Your active membership in PERS ends if —

- you retire or die;
- you end your employment and withdraw your contributions from the system; or
- you have not been contributing to the System for two years and have less than 10 years of service credit. Two years is the limit for inactive membership before an account is expired. (See exceptions on page 40.)

If your membership has been inactive for two years and you have not filed for and received a withdrawal of contributions, the Division of Pensions and Benefits will send an expiration notice to your last known address (and a copy to your last employer in case they have a more current address) to remind you that your money is still in the System. You should then file a withdrawal application since contributions left in the System for over two years do not accrue interest.

Should you return to covered employment before the 2-year period ends,



remember that you have the option of intra- or interfund transfer if you otherwise qualify (see page 8). Should you return to covered employment after your account has expired or you have withdrawn your account, you will be treated as a new member in all respects. Service credit from a former membership may be purchased by members returning to the system after withdrawal of a former account.

Your membership will not end two years after your last contribution if—

- you are granted an official leave of absence beyond the two-year period;
- you are laid off; or
- your position is abolished.

If your leave of absence extends beyond the official time limits of the retirement system or you lose your job through no fault of your own (laid off or position abolished), your inactive membership can be extended up to 10 years. You must submit documentation from your employer showing that your leave of absence was officially extended or that your employment was not terminated voluntarily or for cause for this extension to be granted. This only gives you the right to start contributing to the retirement system again should you again obtain public employment, it gives you no other right to benefits.

## WITHDRAWING CONTRIBUTIONS

If you terminate covered employment before retirement, you may withdraw all your contributions plus a small amount of interest less any outstanding loan or other obligations. **No interest is paid if you were a member for less than three years.** You may withdraw only the money you have contributed and no partial withdrawal is permitted. Upon your withdrawal, all rights and privileges of membership end. Since the employer/employee relationship must be severed, no withdrawal will be paid if there are unresolved legal matters concerning your termination of employment. To withdraw, you must file a properly completed and notarized withdrawal application which is available from your employer.

In accordance with federal law, income tax must be withheld on certain pension distributions that produce an annual taxable income of \$200 or more unless the taxable amount is directly rolled over into an individual retirement arrangement (IRA) or a new employer's retirement plan (if applicable). To qualify, this direct rollover must occur within 60 days of the withdrawal check date. If payment is made directly to you, the taxable portion is subject to 20% federal income tax withholding. In addition, if you receive payment before you reach age 59 1/2 and you do not roll it over, you may have to pay an extra tax equal to 10% of the taxable portion of any payment. If you have any questions concerning this federal law, call 1-800-TAX-1040.

You may call the Division of Pensions and Benefits "Automated Information

System" at (609) 777-1777 for general information concerning withdrawals or information pertaining to your particular withdrawal claim.

If you are age 60 or have 10 years of service credit when you file for withdrawal, you must waive any rights you have to a retirement or death benefit. This written waiver is part of a letter which states the amount of retirement and death benefits to which you are entitled if you do not withdraw.

**No withdrawal application can be processed until all the necessary information has been received from you and your former employer.**

## **WORKERS' COMPENSATION WITHOUT PAY**

As long as you are receiving temporary workers' compensation benefits, you retain the same status as an active member. Unless the employer/employee relationship is severed, you cannot withdraw from the System while receiving temporary workers' compensation, have a claim pending or are involved in litigation regarding workers' compensation. Your employer is obligated by statute to pay your pension contribution based on the salary you were receiving immediately before the receipt of temporary workers' compensation benefits. Your employer is not obligated, however, to make voluntary contributions such as loans, arrears and contributory insurance.

The voluntary resignation or retirement of an employee receiving periodic workers' compensation frees the employer from pension contributions on behalf of the member.

If you have further questions regarding workers' compensation, please contact your employer.

## **APPEALS**

If you wish to appeal any administrative decision, address your appeal to: Secretary to the Board of Trustees, Public Employees' Retirement System, New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

If you disagree with the determination of the Board of Trustees, you may request a formal hearing before an Administrative Law Judge within the Office of Administrative Law, by sending a written statement to the Board of Trustees within 45 days from the date of the Board's decision. State in detail the reasons for your disagreement with the Board's determination and submit any and all supporting documentation if you

have not already done so. If no such written statement is received within the 45-day period, the determination shall be considered final.

If your request for a formal administrative hearing is approved by the Board of Trustees, the Board will submit the matter to the Office of Administrative Law for hearing. Upon completion of this hearing, the Administrative Law Judge will submit to the Board an initial decision which the Board may adopt, reject or modify. If the Board rejects or modifies the initial decision, it shall issue a detailed findings of fact and conclusions of law which will become the Board's final administrative determination and may then be appealed to the Superior Court, Appellate Division.

When the Board of Trustees reviews your request for a hearing it determines whether the matter involves contested facts or is solely a question of law. If the appeal involves solely a question of law, a formal administrative hearing is not likely to be approved. In that case, the Board shall reject your request for an administrative hearing and issue detailed findings of fact and conclusions of law. These findings and conclusions will become the Board's final administrative determination and may be appealed to the Superior Court, Appellate Division.

# PLAN INFORMATION

## ***NAME OF PLAN***

The Public Employees' Retirement System of New Jersey.

## ***ADMINISTRATION***

The Public Employees' Retirement System is a defined benefit plan administered by the New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

## ***PROVISIONS OF LAW***

The Public Employees' Retirement System was established by New Jersey Statutes and can be found in *New Jersey Statutes Annotated*, Title 43, Chapter 15A. Changes in the law can only be made by an act of the State Legislature. Rules governing the operation and administration of the system may be found in Title 17, Chapter 2 of the *New Jersey Administrative Code*.

## ***FUNDING***

Contributions are made by the State on behalf of contributing State employees and by local employers for their employees. All contributions not required for current operations are invested by the State Division of Investment.

## ***PLAN YEAR***

For record keeping purposes the plan year is July 1 through June 30.

## ***SERVICE OF LEGAL PROCESS***

Legal process may be served on the Director of the Division of Pensions and Benefits, who is the administrator of the system.

## ***EMPLOYMENT RIGHTS NOT IMPLIED***

Membership in the Public Employees' Retirement System does not give you the right to be retained in the employ of a participating employer, nor does it give you a right of claim to any benefit you have not accrued under terms of the system.

## CONTACTING THE DIVISION OF PENSIONS AND BENEFITS

### TELEPHONE NUMBERS:

Automated Information System- **(609) 777-1777**

(Loan, Withdrawal, Account History Information, and Purchase Estimates )

Available 24 hours per day

(Access using a touch tone phone)

Benefit Information Library **(609) 777-1931**

(Recorded information regarding Enrollment, Purchase of Service Credit, Death Benefits, Retirement Information and State Health Benefits. Also includes seminar information and the ability to order forms)

Available 24 hours per day

(Access using a touch tone phone)

Recorded Directions to the Division of Pensions and Benefits **(609) 984-7109**

Available 24 hours per day

(Access using a touch tone phone)

Employer Requests for Forms **(609) 777-4357**

Available 24 hours per day

Office of Client Services- **(609) 292-7524**

TDD (for the hearing impaired)- **(609) 292-7718**

(General Information by speaking to a pension counselor)

Counselors available 9:00 a.m. to 4:00 p.m.

### MAILING ADDRESS:

On all correspondence, be sure to include your membership number or Social Security number.

Division of Pensions and Benefits

PO Box 295

Trenton, New Jersey 08625-0295

### COUNSELING SERVICES:

The Division of Pensions and Benefits offers individual counseling services to members of the retirement systems and other benefit programs. No appointment is required.

Counselors are available Monday through Friday from 8:40 a.m. to 4:00 p.m. (Thursdays, 9:00 a.m. to 4:00 p.m.). The office is located at

One State Street Square

50 West State Street, 3rd Floor

Trenton, New Jersey

### INTERNET AND E-MAIL:

<http://www.state.nj.us/treasury/pensions>

E-mail: [pensions\\_nj@tre.state.nj.us](mailto:pensions_nj@tre.state.nj.us)

## ***DIRECTIONS TO THE DIVISION OF PENSIONS AND BENEFITS***

The Division of Pensions and Benefits is located at 50 West State Street (One State Street Square), which is a half block east of the State House. The directions below will take you to the parking garage next door to the Division of Pensions and Benefits. You must pay to park there. When leaving the garage, walk to the door next to the elevator and you will be facing the entrance to One State Street Square. After entering One State Street Square, take the elevator to the third floor.

**From Northeast New Jersey Via Route 1:** Take Route 1 South toward Trenton. Just north of Trenton, Route 1 splits into two roads. Stay to the left (**do not** use Route 1 Alternate). From Route 1, take the Perry Street exit and at the light turn left onto Perry Street. At the fourth traffic light, turn left onto Warren Street. At the second traffic light, turn right onto West State Street. At the next corner, turn right onto Chancery Lane. A half block up is a multilevel parking garage on the left. You must pay to park here; **or**

**From Northeast New Jersey Via the NJ Turnpike:** Take the NJ Turnpike south to Exit 7A. Follow I-195 West until it ends, then follow signs for Route 29, which bears to the left. When the freeway ends, turn right at the traffic light and continue on Route 29 North. After passing three more traffic lights and the State House, which is located on the right, take the Calhoun Street exit. At the first traffic light, turn right onto West State Street. Pass the State House and go through the next traffic light. At the next corner, turn left onto Chancery Lane. A half block up is a multilevel parking garage on the left. You must pay to park here.

**From Northwest Jersey:** Take Route 31 South to I-95 South to Exit 1, (Route 29). Follow Route 29 South for five miles to the Calhoun Street exit. At the first traffic light, turn right onto West State Street. Pass the State House and go through the next traffic light. At the next corner, turn left onto Chancery Lane. A half block up is a multilevel parking garage on the left. You must pay to park here.

**From South Jersey Via Route 206 North:** From Route 206 North, about four miles before reaching center-city Trenton, take the I-295 exit. Once on the interstate highway, follow the signs for Route 29, not I-295. Route 29 bears to the left. When the freeway ends, turn right at the traffic light and continue on Route 29 North. After passing three more traffic lights and the State House, which is located on the right, take the Calhoun Street exit. At the first traffic light, turn right onto West State Street. Pass the State House and go through the next traffic light. At the next corner, turn left onto Chancery Lane. A half block up is a multilevel parking garage on the left. You must pay to park here.

**From South Jersey Via the NJ Turnpike:** Take the NJ Turnpike north to Exit 7A. Follow I-195 West until it ends, then follow the signs for Route 29, which bears to the left. When the freeway ends, turn right at the traffic light and continue on Route 29 North. After passing three more traffic lights and the State House, which is located on the right, take

the Calhoun Street exit. At the first traffic light, turn right onto West State Street. Pass the State House and go through the next traffic light. At the next corner, turn left onto Chancery Lane. A half block up is a multilevel parking garage on the left. You must pay to park here.

**From the Jersey Shore:** Take I-195 West until it ends, then follow signs for Route 29, which bears to the left. When the freeway ends, turn right at the traffic light and continue on Route 29 North. After passing three more traffic lights and the State House, which is located on the right, take the Calhoun Street exit. At the first traffic light, turn right onto West State Street. Pass the State House and go through the next traffic light. At the next corner, turn left onto Chancery Lane. A half block up is a multilevel parking garage on the left. You must pay to park here.